

Madam Speaker, with that I am willing to yield back the balance of my time such that the next person who has a Special Order can come forward. I thank you for the time.

SIMPLIFYING THE TAX CODE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Texas (Mr. BURGESS) is recognized for 60 minutes as the designee of the minority leader.

Mr. BURGESS. And I thank the Speaker.

Madam Speaker, it has been said over and over again that nothing in this life is certain except death and taxes. I was a practicing physician for over 25 years back in Texas and I've got to tell you, sometimes death seems a little less complicated than our Tax Code. The complexity of the Tax Code has done nothing but grow since the Federal income tax was first introduced in this body in 1913.

When it was first created, the Tax Code was 400 pages. This year, it is 67,506 pages, nearly a 17,000 percent increase, pretty typical of government math. Because I'm a visual person, I would like to show you what the statistics look like.

Here is a picture from the "CCH Standard Federal Tax Reporter" illustrating the exponential increase in the Tax Code. What this demonstrates, Madam Speaker, is way back here in 1913, we had one little 400-page book that was the Federal Tax Code, and then we fast forward to 2007 and 2008 and you see the number of pages now that fill the bookshelf, making the complexity of the code something that the average person, quite honestly just does not understand.

Madam Speaker, remember that one of the fundamental tenets of the American legal system, including the tax system, is that ignorance of the law is no excuse. Therefore, in theory, every single American who is merely trying to comply with the Tax Code and file their taxes by April 15 is supposed to be familiar with all of the 67,000 some odd pages that are contained within the Tax Code which comprise the tax rules.

Now, I don't know if my tax preparer back home knows all of the 67,506 pages and you have to wonder about other people in other congressional districts. What about the small business owner? What about the single mom who is just struggling to get by? How are they ever going to know all of the regulations contained within 67,506 pages of the U.S. Tax Code?

The complexity of the Tax Code is a result of countless deductions and exemptions aimed at steering a social agenda, quite honestly, when it's supposed to be a Tax Code. That's one of the fundamental problems with our tax system, is that we try to enforce social policy through the Tax Code rather than seeing the Tax Code simply as a vehicle for collecting those revenues

that the government has to collect in order to run. Special interest groups run rampant through every single page of that 67,000 pages. Anytime Congress wants to punish a special interest group or reward another, Congress adds a new credit or a new law to the mammoth Tax Code. The result is a Federal law fraught with opportunities for avoiding taxes and loopholes to be exploited at the expense of fellow Americans. Everyone is familiar with the problems inherent in our convoluted Tax Code, and criticizing the American Tax Code is as American as apple pie and baseball, and for good reason.

Let me share just a few interesting facts on why we need fundamental tax reform. Each year, Americans spend 6.5 billion hours preparing their tax forms, and businesses spend 800 million hours complying with the Tax Code. The cost of compliance for Federal taxpayers filling out returns and related chores was \$265 billion in 2005. The average taxpayer pays over \$1,800 per household in compliance costs. In other words, that taxpayer works a little over a week just to pay for the cost of preparing his or her taxes for that year.

A study was done back in 1998 when the forms in 1998 were less complicated than they are 10 years later, and it surveyed 46 tax experts. Each expert came up with 46 different answers when determining tax liability. Forty-six preparers, each given the same set of data, 46 different figures to determine tax liability. The tax calculations themselves ranged some \$34,000 to \$68,000, almost a doubling of the original estimated amount.

The Tax Foundation prepared the following information that actually I think will be of interest to this body:

In the year 2007, a person spent 79 days working to pay for their Federal taxes and 41 days on State and local taxes for a grand total of 120 days. That's more than health care, more than housing, more than transportation. And, honestly, you can see an immediate return on those categories. It's a little bit more difficult to see the tangible return on Federal tax dollars, albeit those are the moneys that are required to have the Federal Government run. But when you look at the bite that taxes take out of the average income compared with all of the other expenditures, it truly is significant.

We all complain about paying our taxes. The fact is if the system was fair and simple, it would be a lot easier to take. Americans don't mind paying for roads. They pay for a strong defense. They pay for health care for your grandmother. It's the fact that one family makes exactly the same amount as the family next door, but they're forced to pay a higher share of the tax burden. The Declaration of Independence says all men are created equal, and that should apply to the tax burden as well.

Now, let me just show you a breakdown by congressional district. Most Members of Congress should be inter-

ested in this chart, also produced by the Tax Foundation. In 2004, the Tax Foundation ranked Federal individual income tax burden by congressional district. My district, the 26th District of Texas, falls here somewhere in the middle, and it is highlighted in yellow so its easy for me to see, but it compares the ranking of Federal income tax burden as a percentage of the adjusted gross income versus the ranking of the average income tax liability per return. In other words, with identical incomes, we have some States with a much higher burden and some States with a much lower burden.

Now that is an average across the population, so clearly there will be some differences, but we see New York represented in both the upper and the lower categories. We see California likewise represented in both the upper and the lower categories. So it's not inconceivable that the discrepancy should not be that large; but, nevertheless, because of the complexity of the Tax Code, that's one of the things we're left with.

435 Members of Congress and here is the data from the top seven compared to the bottom seven. You can definitely see varying tax liabilities throughout the country. Again, my district ranked 139th in regards to the Federal income tax burden as a percentage of gross income, but ranked only 127 as the average income tax liability per return. Again, that's more of the Federal Government's math for you.

And yet another aspect of complying with our Tax Code. Time is precious. We often don't have enough of it for personal things, those mundane things like earning a living, raising your family, spending time with your friends, and then there's the dollars-and-cents side of the equation where, in fact, time is money and valuable resources are misspent navigating tax law instead of spent growing the economy and creating jobs. Taken together, this is a strong prescription for real change in our Tax Code.

We know what works when it comes to changing the Tax Code because we got a glimpse of it when during Ronald Reagan's administration he cut the Tax Code in half in 1986. As a result of that reform, the economy grew, revenues increased and jobs were created. I can't think of a better prescription for our slowing economy today than replicating the reform of the Tax Code on an even greater scale.

So what should we do? The prescription is fairly simple. Flatten the tax, broaden the base and shift the burden away from families and small businesses. Simplify the Tax Code and make it easier for individuals and businesses to file their taxes and pay their fair share. Even the National Taxpayer Advocate, Nina Olsen, stated simplify the Tax Code as one of her recommendations in the 2007 Annual Report to Congress: